

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 PA-01 SP-02 SS-15 NSCE-00 SSO-00
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FM AMEMBASSY ANKARA
TO SECSTATE WASHDC IMMEDIATE 2989
INFO AMCONSUL ADANA
AMEMBASSY ATHENS
AMEMBASSY BRUSSELS
AMCONSUL ISTANBUL
AMCONSUL IZMIR
AMEMBASSY NICOSIA
AMEMBASSY PARIS

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USEEC, USOECD

E.O. 11652: N/A
TAGS: EFIN, PINT, EGEN, TU
SUBJECT: CENTRAL BANK ASSEMBLY CLEARS DR. SADIKLAR

REF: ANKARA 5877

1. SUMMARY: CENTRAL BANK ASSEMBLY FOUND NO BASIS
AUGUST 15 FOR REMOVAL OF DR. TAYYAR SADIKLAR AS GOVERNOR OF THE
BANK. CENTRAL BANK AUDITORS, WHOSE REPORT RECOMMENDING SADIKLAR'S
REMOVAL WAS CONSIDERED BY THE ASSEMBLY, REPORTEDLY WILL CALL
FOR AN EXTRAORDINARY MEETING OF SHAREHOLDERS OF THE BANK
IN SEPTEMBER. THE TURKISH TREASURY, A SUBDIVISION OF THE MINISTRY
OF FINANCE, HOLDS MAJORITY OF THE SHARES. IT IS THEREFORE
LIKELY THAT THE GENERAL ASSEMBLY WILL VOTE FOR HIS
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DISMISSAL. END SUMMARY

1. SIX-PERSON CENTRAL BANK ASSEMBLY (BOARD OF DIRECTORS)
REACHED DECISION AUGUST 15 THAT REPORT OF AUDITORS CHARGING
GOVERNOR TAYYAR SADIKLAR WITH IMPROPRIETIES HAD NO BASIS.
ASSEMBLY STATED THAT BALANCE SHEETS OF CENTRAL BANK RECORDED
ACCURATE FIGURES; ADMINISTRATION OF CENTRAL BANK HAS ACTED

WITH INDEPENDENCE IN THE EXECUTION OF DUTIES PLACED UPON IT BY LAW, INCLUDING THE OBSERVATION OF REQUIRED FOR REMOVAL OF THE GOVERNOR. THE VOTE, REPORTEDLY, WAS 4-2. THE FOUR DIRECTORS VOTING IN FAVOR OF THE GOVERNOR HAD BEEN APPOINTED, LIKE HIM, BY THE DEMIREL GOVERNMENT; THE TWO VOTING AGAINST SADIKLAR HAD BEEN ELECTED TO THE ASSEMBLY LAST APRIL UNDER THE ECEVIT GOVERNMENT.

2. PRESS REPORTED AUGUST 16 THAT AUDITORS WILL NOW ASK THE GENERAL ASSEMBLY (SHAREHOLDERS) TO CONVENE TO RECONSIDER THE MATTER. MEETING IS EXPECTED TO TAKE PLACE SOON AFTER POST-RAMAZON HOLIDAY THAT ENDS SEPTEMBER 6.

3. TURKISH CENTRAL BANK IS A JOINT STOCK COMPANY SUBJECT TO THE PROVISIONS OF THE COMMERCIAL CODE AS WELL AS TO ITS OWN ESTABLISHING LEGISLATION. COMMERCIAL CODE GIVES AUDITORS THE RIGHT TO CONVENE EXTRAORDINARY MEETINGS OF SHAREHOLDERS. TURKISH TREASURY, A SUBDIVISION OF THE MINISTRY OF FINANCE, IS REQUIRED BY LAW TO HOLD NOT LESS THAN 51 PERCENT OF THE SHARES OF THE CENTRAL BANK; IT HOLDS SUBSTANTIALLY MORE. SINCE FINANCE MINISTER ZIYA MUEZZINOGLU IS SEEKING THE REMOVAL OF DR. SADIKLAR, IT IS THEREFORE FAIRLY CERTAIN THAT THE GOVERNOR WILL BE DISMISSED BY THE GENERAL ASSEMBLY IN SEPTEMBER.
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